

SUBJECT: Regulation of ad valorem tax assessors

COMMITTEE: Ways and Means

VOTE: 8 ayes--Wyatt, Bigham*, Browder, Davis, English*, Grant*, G. Hill*,
Schlueter

0 nays--

1 present, not voting--Peveto

4 absent--Atkinson, A. Hall, Berlanga*, Wright

WITNESSES: Not available.

DIGEST: The bill establishes a new state board to regulate those who assess property for ad valorem tax purposes.

The State Board for the Registration and Professional Certification for Assessors in Texas is created. The board will consist of nine members appointed by the governor and confirmed by the Senate for six-year staggered terms. The members of the board must have at least five years of assessing experience. The board is given the authority to make and enforce rules and regulations and establish standards of professional practice, conduct and ethics for assessors. When adopting or amending the code of conduct, the board must notify all registered assessors practicing in the state of the proposed rule or amendment. Rules and amendments may not become effective until approved by a majority of the registered professional assessors practicing in the state. The board is authorized to employ assistants. The bill strictly prohibits the board from spending more than it receives from registration fees. The secretary-treasurer of the board is required to maintain a roster of all registered assessors. The roster is public record.

The board is authorized to initiate on its own motion or on the complaint of any person, a proceeding to insure strict compliance with the act. If the board finds sufficient cause, it may refuse, revoke or suspend an assessor's registration for violation of the act or a rule or regulation adopted by the board. Any action to refuse, revoke or suspend registration is heard before the board. The bill further permits the board to go to court to enjoin a violation of the law, or a rule or regulation of the board. Before initiating the proceedings, the board must give 20 days written notice to the prospective defendant.

The bill requires registration of all persons elected or appointed to assess property for any political subdivision in the state. All persons who have authority to render judgments, recommend or certify assessed values to a board of equalization must also be certified. Those engaged in the appraisal of real or personal property for a taxing authority in the state must also be registered.

The bill requires the registered assessors to carry their registration cards when on official duty.

The bill establishes four classes of registration:

registration permit holder: All newly elected or newly appointed assessors without previous experience are placed in this class. To register in this class, the applicant must be a Texas resident of good moral character, recommended by three people, one of whom must be a registered practicing assessor. The applicant must pass an examination given by the board and subscribe to the code of ethics.

registered Texas assessor: This class includes those with some experience and training in assessing. To register, the person must be 21 years of age, of good moral character confirmed by five people. Further, the applicant must have a high school diploma or the equivalent, furnish evidence of work experience and provide a list of three people who can vouch for his qualifications, one of whom must be a registered professional assessor.

The board may permit applicants with birthdays prior to 1950, to substitute special training and experience for the minimum education requirements.

The applicant must subscribe to the code of ethics and pass a written exam. Within five years of registration, the assessor must demonstrate sufficient ability to advance to the next class.

registered Texas assessor and candidate for certification: A candidate shall be an assessor or deputy of a taxing unit who meets the requirements of a registered Texas assessor. In addition, the candidate must list three registered assessors who can vouch for his qualifications. The candidate must also have two years of education beyond high school and three years of assessing experience. The candidate must pass an exam and subscribe to the code. Within five years of meeting these qualifications, the candidate must demonstrate an ability to advance to the next class.

certified Texas assessor: A person may become a certified assessor if he is a member of the Institute of Certified Texas Assessors prior to January, 1978 and submits demonstration appraisals and passes the exam required by the institute's board.

A person may also be certified if he is a candidate for certification, is 25 years old and has 5 years of experience. In addition, the person must complete education courses required by the state board, submit demonstration appraisals and pass an exam.

The bill specifies that the exams shall test the applicant's knowledge and ability to estimate the value of property and calculate depreciation. The candidate is also required to be tested for his knowledge of the code of ethics adopted by the board.

Applicants for registration must pay the board \$30 which is not refundable. Applications must be approved or disapproved by the board within 60 days of the time they are filed. Applicants for permits or registration are given one year to pass their examinations. A yearly fee of \$25 must be paid by every registered assessor.

The bill does not restrict an official act required by the Texas Constitution. It directs assessors to value property at its fair market value unless otherwise directed by law or the constitution. The bill prohibits unethical conduct by assessors including giving opinions of value not based on facts, accepting pay other than for official duties and violating rules and regulations of the board.

Violation of the act is a Class A misdemeanor.

PRO: This bill is essentially a recommendation of the Property Tax Revision Commission. Current law permits anyone to assess property for ad valorem taxation. With no training, the quality of the appraisals suffers greatly. Taxing units lose possible income and property owners are more likely to be treated unequally and unfairly. Establishment of one statewide board to regulate assessors will go a long way to cure the problems with our ad valorem tax system. The property tax is the most important component in the revenue structure of local governments, accounting for about 87 per cent of all taxes collected. However, few tax offices have real estate appraisers and few assessors attend tax school and seminars. Improving the quality and training of our appraisers is a major step toward property tax reform.

CON: No apparent opposition. It should be pointed out that the bill provides no appeal procedure for those who have their registration revoked.

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